

**City of Junction City, Arkansas**

**Financial and Compliance Report**

**December 31, 2022**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF JUNCTION CITY, ARKANSAS  
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FOR THE YEAR ENDED DECEMBER 31, 2022

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# Arkansas

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**Roger A. Norman, JD, CPA, CFE, CFF**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

City of Junction City, Arkansas Officials and Council Members  
Legislative Joint Auditing Committee

A priority of Arkansas Legislative Audit is to assist local government officials by promoting sound financial management and accountability of government resources. The Legislative Auditor reports on the fiscal affairs of local governments, as well as compliance with relevant state laws and observance of good business practices to provide accountability for tax dollars expended to support government operations.

We have performed certain limited procedures with respect to cash basis financial information and compliance with certain state laws and accepted accounting practices for the City of Junction City, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated September 13, 2023. These procedures were not performed for the Water and Sewer Systems. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The commentary contained in this section relates to the following officials who held office during 2022:

Mayor: Steve Williams  
Recorder/Treasurer: Gail Sehon  
Police Chief: Aaron Galbraith

We evaluated the City's compliance with certain state laws concerning general and district court accounting, budgeting, purchasing, and investing and depositing of public funds.

During our evaluation, nothing came to our attention that would warrant disclosure in this report.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local City government, state executive and oversight management, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in dark ink, reading "Roger A. Norman".

Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Little Rock, Arkansas  
September 13, 2023  
LOM209722

CITY OF JUNCTION CITY, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Pension Trust Funds
	<u>          </u>	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2022	\$ 1,313,130	\$ 333,475	\$ 13,518
Receipts:			
State aid	7,504	67,303	
Federal aid		54,177	
Property taxes	21,060	6,875	1,843
Franchise fees	24,050		
Sales taxes	344,438		
Fines, forfeitures, and costs	1,566		
Interest	985	217	7
Other	2,540		
Transfers in		114,530	
Total Receipts	<u>402,143</u>	<u>243,102</u>	<u>1,850</u>
Disbursements:			
General government	168,513	21,168	
Law enforcement	27,048		
Highways and streets		143,506	
Public safety	4,601	25,859	
Sanitation	33,747		
Recreation and culture	8,953		
Transfers out	114,530		
Total Disbursements	<u>357,392</u>	<u>190,533</u>	
Cash Balance, December 31, 2022	<u><u>\$ 1,357,881</u></u>	<u><u>\$ 386,044</u></u>	<u><u>\$ 15,368</u></u>

CITY OF JUNCTION CITY, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (UNAUDITED)

Schedule 2

	Street	Fire Equipment and Training (ACT 833)	Local Police and Fire Retirement	Ambulance	Rural Community Grant Fun Park	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 141,637	\$ 78,181	\$ 78,122	\$ 877	\$ 1,467	\$ 33,191	\$ 333,475
Receipts:							
State aid	43,427	23,876					67,303
Federal aid						54,177	54,177
Property taxes	6,875						6,875
Interest	78		120		1	18	217
Transfers in	114,530						114,530
Total Receipts	<u>164,910</u>	<u>23,876</u>	<u>120</u>		<u>1</u>	<u>54,195</u>	<u>243,102</u>
Disbursements:							
General government						21,168	21,168
Highways and streets	143,506						143,506
Public safety		25,859					25,859
Total Disbursements	<u>143,506</u>	<u>25,859</u>				<u>21,168</u>	<u>190,533</u>
Cash Balance, December 31, 2022	<u>\$ 163,041</u>	<u>\$ 76,198</u>	<u>\$ 78,242</u>	<u>\$ 877</u>	<u>\$ 1,468</u>	<u>\$ 66,218</u>	<u>\$ 386,044</u>

CITY OF JUNCTION CITY, ARKANSAS  
OTHER INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.

2. The Municipality's capital assets records are summarized below:

	<u>December 31,</u> <u>2022</u>
Land	\$ 56,458
Buildings	87,831
Equipment	<u>581,849</u>
Total	<u>\$ 726,138</u>

3. The City received federal funding in the following amount related to COVID-19 relief:

	<u>December 31,</u> <u>2022</u>
American Rescue Plan Act (ARPA)	<u>\$ 54,177</u>